



This return is due on or before the fifteenth day of the second month following the taxable period. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the first day thereafter.

[illegible]

Instructions for completing Form O-10

Applying for stripper well status

This application is for the certification of stripper wells for oil severance tax purposes. A stripper well is defined as a well that is incapable of producing an average of more than 10 barrels of oil per producing day. A copy of the latest form DM-1-R, including test data pertaining to all wells included in the lease property, must be submitted with this application.

This application may be filed by the producer, purchaser, or duly authorized representative.

The due date for filing this application is on or before the fifteenth day of the second month following the production month in which the well(s) attained stripper status. If the due date falls on a weekend or holiday, the return is due the next business day and becomes delinquent the first day thereafter.

A separate application is required for each field and must be filed in triplicate (original and two copies). The original application will remain on file with the Louisiana Department of Revenue and Taxation; one copy will be returned to the producer; and one copy will be furnished to the taxpayer immediately after departmental approval. Copies returned to the producer and taxpayer will include certification numbers assigned by the Department of Revenue and Taxation.

The completed application must be submitted to the Department of Revenue and Taxation, Severance Tax Division, P. O. Box 201, Baton Rouge, LA 70821-0201.

The taxpayer number must be furnished on this application. All data required on this form must be supplied. It is important that all code data be furnished and that the data be accurate.

Certification of stripper wells

Any stripper wells certified as such are eligible for the stripper oil severance tax rate of 3.125% of value.

Wells which have been certified as stripper wells on this application must be reported each month on Form SEV O-3 if the certification number assigned to the well(s) is prefixed with the letter "A."

Failure to report monthly production and disposition barrels as required on the report Form SEV O-3 could result in denial of the stripper oil severance tax rate of 3.125% of value.

Should any wells certified as stripper wells on this application subsequently produce an average of more than 10 barrels of oil per producing day, the stripper tax rate of 3.125% of value is **NOT** applicable for that month.

Any well certified on Form SEV. O-10 that may qualify for the incapable tax rate at a later production month must be certified by the department on Form SEV. O-25 before the incapable rate can be taken. The department does not allow rate changes between the reduced rates (stripper or incapable) unless the well is properly certified by the department on Forms SEV. O-10 or SEV. O-25.

Name of reporting company

Name of producer or duly authorized representative submitting the application.

Company number

Code number assigned to the reporting company by the Office of Conservation or the Department of Revenue and Taxation.

Revenue Account Number

This is your 10-digit Louisiana Tax Number for Corporation Income and Franchise tax, Sales tax, Withholding tax or Oilfield Site Restoration Fee. If you are not registered for any of these taxes, please write or call the Department of Revenue and Taxation for a registration application, Form R-16018.

Field name

Official name assigned by the Office of Conservation to identify a field. A separate application must be submitted for each field.

Producer and lease name

The producer is defined as that person or company under whose name oil is reported to the Office of Conservation on their Form R-1. Lease name refers to the official name assigned by the Office of Conservation to identify a lease.

Conservation well number

This is the well number assigned by the Office of Conservation to identify a well on a lease.

Parish, field, producer, lease codes, well serial number

Refers to code numbers assigned by the Office of Conservation and reported as such on the Form R-1 and DM-1-R.

Opening stock

This is the prior production remaining in the tank for each well serial.

Production

This is the total production from this well for the given taxable period.

Number of producing days

This is the number of days the well produced during the given taxable period.

Daily average production

This is calculated by dividing "production" by "number of producing days."

Number of wells on lease (definitions)

Capable well is a well producing an average of more than 10 barrels of oil per day and less than 50% salt water.

Incapable well is a well incapable of producing an average of more than 25 barrels of oil per producing day and which also produces 50% or more salt water per day.

Stripper well is a well incapable of producing an average of more than 10 barrels of oil per producing day.

Condensate is not at any time subject to reduced severance tax rates, and is taxable at 12.5% of value. A condensate well is defined as a capable well.